

DEPARTMENT OF FINANCE AND ADMINISTRATION - POLICY 10

Policy 10 - Dues and Subscriptions

Component 01 - Basis for Authority

Section 01 - Applicable State Law

§10-01-101: Accounting Powers Granted By State Law -

According to T.C.A. 4-3-1007, the Department of Finance and Administration "shall have power and shall be required:

(1) to maintain a system of general accounts embracing all the financial transactions of the state government; ...

(10) to exercise the rights, powers and duties (except the power to collect taxes), conferred by law upon the comptroller of the treasury ... insofar as these provisions relate to financial administration and general accounting control of the state government, involving the keeping of general accounts, ... [and] (11) in consultation with the comptroller of the treasury, to establish guidelines for the evaluation by agencies of their systems of internal accounting and administrative control..."

Section 02 - History

§10-01-201: History - Section 12, Item 34 of the Public Acts of 1980 (Appropriation Act) established a committee composed of the Commissioner of Finance and Administration, the Comptroller of the Treasury and the Executive Secretary of the Supreme Court to review expenditures for State agencies' membership dues and subscriptions. The committee reviewed departmental listings of membership dues and subscriptions submitted to the committee, and held meetings to hear departmental appeals of membership dues and subscriptions not approved.

The committee reviewed membership dues and subscriptions for all departments and agencies including the institutions of higher education. The Department of Finance and Administration developed a listing of all membership dues and subscriptions which were approved by the committee in accordance with the policies which were established by the committee.

Although the legislation creating the Membership Dues and Subscriptions Committee expired on June 30, 1981, it was the recommendation of the committee that the Board of Standards adopt the policies of the Membership Dues and Subscriptions Committee whereby there would be a State policy governing membership dues and subscriptions which could be administered by the Department of Finance and Administration. The purpose of this Policy Statement 10 is to continue, with modifications, the guidelines and criteria promulgated by the committee and to provide administrative procedures in lieu of committee approval for this type of expenditure. The Commissioner of Finance and Administration may grant exceptions to this policy statement at his discretion. The Department of Finance and Administration will notify the Comptroller of the Treasury of any exceptions granted.

Section 03 - Application

§10-01-301: Application - The requirements of this Policy Statement 10 shall apply to all agencies, departments and institutions for review of membership dues and subscriptions. After fiscal year 1989-90, new membership dues and subscriptions which cost in excess of \$1000 shall require approval by the Budget Division of the Department of Finance and Administration. Additional review of membership dues and subscriptions will be made periodically according to the guidelines of this Policy Statement 10. In subsequent years,

renewals of dues and subscriptions which have received approval from the Budget Division of the Department of Finance and Administration in a prior year will not require additional approval unless the cost of the membership dues or subscription has increased more than ten percent above the cost for the prior fiscal year.

Section 04 - Effective Date

§10-01-401: Effective Date - This Policy Statement 10 shall become effective immediately upon approval, shall continue until rescinded, and shall apply to the fiscal year beginning with 1989-90 and to subsequent years.

Component 02 - Policy and Procedures for Requesting Membership Dues and Subscriptions

Section 01 - Definitions

§10-02-101: Definitions - For the purpose of this Policy Statement 10, the terms listed below shall have the following meanings except where the context requires otherwise.

1. Membership Dues (memberships, associate memberships) are any expenditure from public funds by a state department, agency or institution, including institutions of higher education, which entitle membership and/or participation in the activities of an organization. If membership dues are included as part of the expense of a conference or seminar conducted by an organization and which a state department, agency, or institution pays on behalf of an employee to attend as part of a professional staff development program, these expenditures are considered membership dues for the purpose of this policy statement.

2. Subscriptions are any expenditure from public funds by a state department, agency or institution, including institutions of higher education, which results in the receipt of publications, both professional and non-professional, including newspapers; periodicals; magazines; newspaper clipping services; electronic wire services; and electronic data-base services.

3. Organization is a group (public or private), association or society whose purpose is to promote common interests and share information.

4. Professional library is a collection of periodicals, books, publications, and other reference materials maintained by a department, agency, or institution for the use of staff members.

5. "Publication directly related to the mission" means a publication without which the mission of the department, agency or institution would be impossible or difficult to perform.

6. "Publication indirectly related to the mission" means a publication which aids in staff development or other areas important but not essential to the mission of the department, agency or institution.

7. Reference library means a collection of periodicals, books, publications and reference materials maintained by a department, agency or institution for the use of students, inmates or clients of the department, agency or institution, including the State Library and Archives.

8. Political publication is any publication which espouses the ideology of a single political party or group to the exclusion of the ideas and opinions of all other political groups or organizations.

Section 02 - Applicability and General Rules

§10-02-201: Applicability - These rules apply only to departments, agencies or institutions of the Executive Branch of government in requesting membership dues and subscriptions. State agencies with fiscal independence, such as institutions of higher

education, are governed by the policy but shall establish administrative procedures as deemed necessary to control the expenditures for membership dues and subscriptions. For those agencies operating with fiscal independence, the administrative procedures may provide for their governing boards to approve the membership dues or subscriptions in lieu of approval by the Department of Finance and Administration required by this policy.

§10-02-202: General Rules - Any expenditures for membership dues and subscriptions for an Executive department, agency or institution, including agencies which operate with fiscal independence, are governed by the rules of this policy statement.

- 1(a). Departments, agencies or institutions may be a member of an organization if the membership is directly related to the goals and mission of the department, agency or institution and specifically benefits the state. The department, agency or institution shall make the decision as to the type of membership necessary. For the fiscal year 1989- 90, all membership dues must be approved by the Budget Division of the Department of Finance and Administration. After fiscal year 1989-90, any membership dues that cost in excess of \$1000 must be approved by the Budget Division of the Department of Finance and Administration. In subsequent years, renewal of membership dues in excess of \$1000 will not require approval by Budget unless the cost of the membership dues has increased more than ten percent above the prior year cost. Approval of membership dues as a part of the budget/work program in any year will satisfy the requirements of this policy statement. Request for approvals should include an explanation of the specific benefit the state will derive and a listing of other states or organizations which maintain the membership. Only one membership for the primary department, agency or institution should be maintained. Subunits of a department, agency, or institution will not be allowed to maintain a membership if the primary department, agency, or institution maintains such membership.
 - (b). Departments, agencies and institutions shall not pay the membership dues of any individual. An exception may be granted in cases where an organization does not permit institutional membership. In addition, some organizations set membership dues for individuals at a lower rate than the rate set for an organization. Therefore, it might be of benefit to the State for a department, agency or institution to obtain the membership in the name of an individual employee at a lower cost. In these cases, no approval is needed from the Budget Division of the Department of Finance and Administration if the membership or dues held by an individual is clearly for the benefit of the department or agency and is acquired within the other guidelines of this policy statement. Memberships necessary to maintain or enhance an employee's professional status should be considered the responsibility of the employee and the association dues considered a personal expense (E.G. AICPA or Bar Association membership or dues). The employee is responsible for the cost of the membership or dues in this instance.
2. Departments, agencies or institutions may expend funds for subscriptions as defined in this policy if the subscription is directly related to the goals and mission of the department, agency or institution and specifically benefits the state. All subscriptions must initially be approved by the

Budget Division of the Department of Finance and Administration for fiscal year 1989-90. In subsequent years, only subscriptions which cost in excess of \$1000 must be approved by the Budget Division of the Department of Finance and Administration. After initial approval, renewals of subscriptions in excess of \$1000 will not require additional approval unless the cost of such subscriptions has increased more than ten percent above the prior year cost. Approval of subscriptions as a part of the budget/work program in any year will satisfy the requirements of this policy statement. The Budget Division of the Department of Finance and Administration will review the entire subscription holdings from time to time on an individual departmental basis. The department, agency or institution shall make the decision as to the type of subscription necessary. The following criteria shall be used in determining the type of subscription to be maintained.

- (a). No state department, agency or institution shall subscribe to political publications as described in this policy statement.
- (b). Professional libraries may include subscriptions related to their function or purpose. Departments, agencies and institutions are encouraged to maintain a professional library in a central location so that all staff members may benefit from the state purchased periodicals. Subscriptions of reference libraries are exempt from this policy statement in its entirety.
- (c). Subscriptions to "Official Airline Guide", "Pocket Flight Guide" or other publications containing travel schedule information shall not be allowed. Since the state has contracted with a travel agency to handle all out-of-state travel, this agency will be able to provide travel information to those employees who travel.
- (d). Newspaper clipping services will be justified on an individual need basis. The need for the service shall be clearly set forth in writing. The written justification should address the following points:
 - (1). The type of clipping service requested. (For example, statewide, all daily newspapers).
 - (2). The use of information provided by the service. This should include the names of those to whom the clippings are circulated and the benefit the department will derive from the clipping service.
- (e). Electronic wire services shall be justified on a department need basis using the same criteria as those for newspaper clipping services.
- (f). Electron data-base services shall be justified on a department need basis. For those services in excess of \$1000, approval by the Budget Division of the Department of Finance and Administration will be required temporarily. At such time as a statewide information network is implemented, the oversight for these services shall

become the responsibility of OIR-ISC. For Budget approval, the need for the service shall be set forth in writing with the following points addressed:

- (1). The nature of the data-base service (i.e., financial, legal).
 - (2). The names of those who will have access to the service within the department, agency or institution.
 - (3). The potential for sharing the data-base information with other agencies, departments or institutions within the state.
 - (g). Subscriptions for legislative services shall not require prior approval from the Budget Division of the Department of Finance and Administration. However, only two complete sets of these services shall be acquired by any department, agency or institution in any fiscal year.
3. In order that the Division of Budget can periodically review the membership dues and subscriptions maintained by a department, agency or institution, a schedule of all membership dues and subscriptions shall be maintained in a data-base either electronically or manually according to the procedures outlined as a supplement to this Policy Statement 10.

§10-02-203 Responsibility of Department Heads - It shall be the responsibility of each department, agency or institution head to assure that only membership dues and subscriptions which are clearly related to the mission of the department, agency or institution are maintained. Further, authorization should not be given for any membership dues or subscription which is contrary to the guidelines of this Policy Statement 10.

Component 03 - Approvals

Section 01 - Commissioner of Finance and Administration

§10-03-101: Approval of Commissioner of Finance and Administration - I, David L. Manning, hereby approve of this Policy Statement 10 of the Department of Finance and Administration, and as such agree with and authorize actions necessary to implement its requirements.

Signed: _____ Date: _____
David L. Manning, Commissioner
Department of Finance and Administration

Section 02 - Comptroller of the Treasury

§10-03-201: Approval of the Comptroller of the Treasury - I, William R. Snodgrass, hereby approve of this Policy Statement 10 of the Department of Finance and Administration, and as such agree with and authorize actions necessary to implement its requirements.

Signed: _____ Date: _____
William R. Snodgrass, Comptroller
Office of the Comptroller of the Treasury

